



Central Intelligence Agency
Washington, D.C.
(703) 351-7676

George V. Lauder
Director, Public Affairs

7 April 1986

DCI:

Herewith a transcript of your remarks on
Saudi Arabia as you requested.

We are getting a lot of phone calls for a
transcript of this speech. I recommend that we
quickly transcribe it, and the question and
answer portion as well, and hand the whole lot
out. Hopefully that will help set the record
straight.

STAT

*I don't think it
accurate to say
that I charged*



George V. Lauder

7 APR 1986

*Don't know
with terrorism
except in
the context
of emergency
support*

*George - O.K. if
you think it alright to
put out the Qs & As
I'd be inclined not to -
but we can discuss it & you can
persuade me. I never have -*

PARTIAL TRANSCRIPT OF AIPAC ADDRESS

7 APRIL 1986

SAUDI ARABIA INFO

Question 2. What is the United States doing to discourage the Saudis from providing financial support to the PLO and others who support terrorism?

Well, we work with them; we talk to them about countering terrorism and not supporting terrorist violence. They give us lip service to that. They do support these countries and some of these forces for reasons of fear and intimidation or to pursue their own political objectives. And there is only a limited degree to which we can influence them in those matters where they see their vital interest involved.

y, the vice president told a group of American businessmen in Riyadh this morning that he had not come to the kingdom on "a price-fixing mission" with "a simple and easy answer to how oil producers should stabilize the market."

I hope when I leave this part of the world I will have a clear idea of the countries involved—and the major one is Saudi Arabia—they feel there can be some stability to a market that certainly will be very happy to them," he said. While declaring that low oil prices are desirable, he said, "there is some point at which the national security interest of the United States" requires "a strong, healthy domestic industry."

Bush's private meeting with the Saudi monarch came after a formal dinner with the king and marked a change from a planned all-day working session. After a three-hour private dinner last night at the U.S. Embassy in Riyadh, the vice president dis-

prices and production" and that the two sides had "shared their views about the recent decline of oil prices."

While Bush made no specific request of the Saudis, Fitzwater said, the vice president expressed both his desire to see market forces work and the administration's concern "to ensure a strong domestic oil industry as part of fundamental [U.S.] national security interests."

During the session with the American businessmen in Riyadh this morning, Bush also disclosed that King Hussein had been so upset with congressional rejection in late January of the administration's proposed \$1.9 billion arms sales to Jordan that he "kind of broke off discussions" with the United States.

So angry had the king been with Washington following that rejection, that at one point recently he refused to receive Assistant Secretary of State Richard Murphy.

Admitting the administration had broken its promise to sell arms to Hussein but blaming it on Congress,

Bush said that the administration planned to "do everything possible" to assure the passage in Congress of its request for \$354 million in arms sales to Saudi Arabia, which pro-Israel congressmen are seeking to block.

"It is in my view essential to our own selfish national interest that this arms sale go through," he said.

The main announced objective of Bush's trip to Saudi Arabia and three Persian Gulf states is to reaffirm the U.S. commitment to their security at a time of renewed escalation in the Iran-Iraq war.

The Saudi security concern was underlined today by reports that a 17,000-ton Saudi tanker had been badly damaged by what was believed to be an Iranian air strike as it was sailing off the coast of Qatar.

Bush said in a short speech to the American businessmen that the United States took the security of the Arab gulf states "very seriously" and that it remained "fundamentally, irrevocably" committed to the free flow of oil through the gulf.

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Thwart Qaddafi

early-morning attack in which 204 people were injured, including U.S. soldiers and their families. A Turkish woman also was killed.

Nor is there evidence linking the discotheque assault to last week's bombing of a TWA jetliner that killed four Americans, Oakley said.

"But you can't quite tell who the bombers of this sort may be working for," he said. "Some of these terrorist organizations . . . take their directions and their money from whomever will pay them."

Oakley said there is still no certainty that the prime suspect in the bombing of TWA Flight 840, a Lebanese woman, May Elias Mansur, actually planted the explosive device under a seat "because those bombs sometimes travel for days without exploding." Mansur has denied involvement.

Three separate groups, representing

Asked if the United States is planning military retaliation against Libya, Oakley replied, "Not necessarily. The Reagan administration looks at the use of military force in a judicious fashion on a case-by-case basis, and one of the things we have to take into account is our desire to generate as much collective action and pressure as possible."

Noting that some U.S. critics call President Reagan's antiterrorist campaign "an American obsession," Oakley cited statistics showing that only 23 of the 928 people killed by terrorism last year were American.

Qaddafi's suspected orchestration of the West Berlin bombing and last December's bloody airport attacks in Vienna and Rome in which five Americans died show that "Libyans are pushing terrorism up into Western Europe and taking a much more aggressive terrorist act which is damaging to Americans and European interests," he said.

"It's not the United States versus Libya," he said. "Think of the effect this is having upon the Europeans. We're in this together and our objective is to get the Europeans to work with us to do more about this threat, whether it be from Libya, or Syria, or Iran, or elsewhere."

Oakley said Reagan's antiterror-

Casey Assails Gorbachev on Subversion

CASEY, From A1

by any administration official comes at a time when the Reagan administration and the Soviet leader have been jockeying over the details of another summit conference this year.

Casey, in his speech and in frank answers to questions from the group, also said:

■ Saudi Arabia has paid "lip service" to U.S. concerns about its funding of the Palestine Liberation Organization. He said Saudi leaders, host now to Vice President Bush, support the PLO and other terrorist-linked groups "for reasons of fear, intimidation, and pursuing their own foreign policy objectives."

■ The Sandinista government of Nicaragua started an all-out campaign two months ago to destroy the U.S.-backed contras, including

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